

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	
ENCANA OIL & GAS (USA) INC. FOR AN ORDER)	Cause No. 139
POOLING ALL NON-CONSENTING INTERESTS IN)	
THREE (3) WELLS FOR PRODUCTION FROM THE)	Docket No. _____
ILES FORMATION UNDERLYING CERTAIN LANDS)	
IN THE RULISON FIELD, GARFIELD COUNTY,)	
COLORADO)	

APPLICATION

COMES NOW EnCana Oil & Gas (USA), Inc. (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Colorado Oil and Gas Conservation Commission ("Commission"), for an order to pool all interests in Section 11, Township 7 South, Range 94 West for the drilling of three (3) wells (as described below) to produce from the Iles Formation, Garfield County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good-standing with the Commission.
2. Applicant holds certain leasehold interests in the following lands that are subject to this application:

Township 7 South, Range 94 West, 6th P.M.
Section 11: All

Garfield County, Colorado (hereinafter referred to as "Application Lands").

3. On September 22, 2008, the Commission Issued Order No. 139-99, the most recent order for the Application Lands, which among other things, provided that one (1) well per 10 acres shall be allowed to be drilled for production of gas and associated hydrocarbons from the Iles Formation, with the permitted well to be located no closer than one hundred (100) feet from a lease line or the boundaries of the application lands without exception being granted by the Director. In cases where the application lands abut or corner lands the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation and Iles Formation wells, the well shall be located downhole no closer than 200 feet from the boundary or boundaries of the application lands so abutting or cornering such lands without exception being granted by the Director. Order No. 139-99 also provided that wells shall be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Director.
4. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116 (6) and (7), seeks an order to statutorily pool all interests not voluntarily pooled in the Iles Formation underlying the Application Lands.
5. Applicant proposes to drill three (3) directional wells on the Application Lands with the surface hole location for each well located in Lot 4 of Section 11, Township 7 South, Range 94 West.

6. Applicant proposes to drill the Federal Savage 11-3B Well on the Application Lands with a proposed bottomhole location on 616' FNL, 1,342' FWL of Section 11, Township 7 South, Range 94 West. Applicant holds an approved Application for Permit to Drill for the Federal Savage 11-3B Well. A Well Location Certificate is attached hereto.

7. Applicant proposes to drill the Federal Savage 11-5C Well on the Application Lands with a proposed bottomhole location at 686' FWL, 1,785' FNL of Section 11, Township 7 South, Range 94 West. Applicant holds an approved Application for Permit to Drill for the Federal Savage 11-5C Well. A Well Location Certificate is attached hereto.

8. Applicant proposes to drill the Federal Savage 11-7C Well on the Application Lands with a proposed bottomhole location in the 2,626' FEL, 2,094' FNL of Section 11, Township 7 South, Range 94 West. Applicant holds an approved Application for Permit to Drill for the Federal Savage 11-7C Well. A Well Location Certificate is attached hereto.

9. Exhibit A attached hereto lists the interest owners in the Federal Savage 11-3B Well, the Federal Savage 11-5C Well, and the Federal Savage 11-7C Well together with their addresses. All working interest owners (not otherwise voluntarily pooled) have been provided with an AFE and have been offered the opportunity to voluntarily participate in the drilling of the Federal Savage 11-3B, Federal Savage 11-5C, and the Federal Savage 11-7C Wells to the Iles Formation. To date, however, not all of such working interest owners have elected to participate by agreeing to bear their respective proportionate shares of the costs and risks of drilling, completing and operating the well. AFE's containing the information respecting each well, as required by Commission Rule 530.b., were sent to these working interest owners more than thirty (30) days prior to the date of the hearing on this application.

10. Applicant requests that the Commission's statutory pooling order, and all costs associated with each well set forth in Paragraphs 6-8 above, and this statutory pooling, issued with respect to this Application be retroactive to the earliest date costs are incurred for each of the three above-described wells as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

11. Notice of this Application has been provided to those parties listed on Exhibit A attached hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. Pooling involuntarily all of the working interest owners listed on Exhibit A with whom Applicant has been unable to secure an agreement for the drilling of the wells described in Paragraphs 6-8, and that such working interest owners be treated as non-consenting owners under C.R.S. §34-60-116 and made subject to the terms and penalties provided for therein.

B. That all interest owners in the Federal Savage 11-3B Well, Federal Savage 11-5C Well, and the Federal Savage 11-7C Well who are not voluntarily pooled in each well be involuntarily pooled.

C. That the effective date of the Commission's statutory pooling order, and all costs associated with each of the wells described in Paragraphs 6-8 and this statutory pooling, issued with respect to this Application be retroactive to the earliest date costs are incurred for each of the three above-described wells as allowed by C.R.S. § 34-60-116(7), or the date of this Application, whichever is earlier.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this ____ day of July, 2011.

Respectfully submitted,

ENCANA OIL & GAS (USA), INC.

By: _____

Jamie L. Jost
William A. Keefe
Matthew J. Lepore
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
370 17th Street, Suite 1700
Denver, CO 80222

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Damian Westerman of lawful age, being first duly sworn upon oath, deposes and says that he is Attorney-in-Fact for EnCana Oil & Gas (USA), Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Damian Westerman

Subscribed and sworn to before this ____ day of July, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Beverly K. Allen
c/o Guaranty Bank & Trust
Attn: Trust Dept.
P.O. Box 1159
Longmont, CO 80502-1159

JRMD, LLC
P.O. Box 1926
Rifle, CO 81650-1926

Yates Drilling Company
Attn: Justin Scott
104 South 4th St.
Artesia, NM 88210

Elaine V. Horn & Earl E. Horn
c/o Guaranty Bank & Trust
Attn: Trust Dept.
P.O. Box 1159
Longmont, CO 80502-1159

Williams Production RMT Company
Attn: Patrick Kunc
1515 Arapahoe St., Tower 3, Suite 1000
Denver, CO 80202

ABO Petroleum Corporation
Attn: Justin Scott
104 South 4th St.
Artesia, NM 88210

Lenis L. Horn Trust
c/o Guaranty Bank & Trust
Attn: Trust Dept.
P.O. Box 1159
Longmont, CO 80502-1159

Yates Petroleum Corporation
Attn: Justin Scott
104 South 4th St.
Artesia, NM 88210

Myco Industries Inc.
Attn: Justin Scott
104 South 4th St.
Artesia, NM 88210

OXY Y-1
Attn: Mid-Cont Land Manager - Kent Woolley
PO Box 27570
Houston, TX 77227

Bureau of Land Management
Colorado River Valley Field Office
2300 River Frontage Road
Silt, CO 81652

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
ENCANA OIL & GAS (USA), INC. FOR AN ORDER) Cause No. 139
POOLING ALL NONCONSENTING INTERESTS IN)
THREE (3) WELLS FOR PRODUCTION FROM THE) Docket No. _____
ILES FORMATION UNDERLYING CERTAIN LANDS)
IN THE RULISON FIELD, GARFIELD COUNTY,)
COLORADO)

AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

William A. Keefe of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for EnCana Oil & Gas (USA), Inc., that on or before July ____, 2011, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

William A. Keefe

Subscribed and sworn to before me on July ____, 2011

Witness my hand and official seal.

My commission expires: _____.

Notary Public